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Can Complaints Really Be A Gift?

White Paper

WHY IT'S TIME TO CHANGE YOUR APPROACH TO COMPLAINTS HANDLING



Is your organisation missing a trick when it comes to complaints handling? In too many businesses, complaints are poorly handled, leaving customers underwhelmed and organisations failing to learn from this vital source of feedback. Rena Ghotey, CX Consultant at Ember, explains why it's more important than ever before that we change the culture around complaints – and then empower frontline teams to manage them as effectively as possible.

It's a common view that we're living in an age of unprecedented consumer empowerment. With more channels open to communicate with businesses than ever before, consumers can vent their spleen publicly and wait for the business to roll over. If orders are delayed, products aren't up to standard or services are poor, consumers can just walk into the arms of countless competitors, without so much as a backward glance.

GRUMBLING, NOT COMPLAINING

But despite – or maybe because of – this changed culture, consumers seem less willing to make formal complaints than ever before. In its 2019 Consumer Action Monitor report, Ombudsman Services found that while the number of gripes or issues consumers have with companies is growing – up to an average of 4.2 per person surveyed, compared with 2.5 per person in 2018 – many choose to suffer in silence.

52% of millennials simply leave, rather than raising a complaint; 38% would rather grumble on social media than actively complain. Almost two-thirds say complaining fills them with dread. Amongst vulnerable customers, readiness to complain is lower still.

For businesses, this has a range of consequences. Firstly, and most importantly, it means customers are lost. As identified by the Institute of Customer Service, "it costs at least 5 times as much to gain a new customer than keep an existing one and takes 56 days on an average to acquire a new one." One of the most effective ways to retain customers and build loyalty is to handle a complaint well; the Consumer Action Monitor report found that 77% of respondents agreed with the statement that "a well-handled complaint makes me more loyal."

A complaint is a sign of trust: the customer trusts us to solve the problem.

MISSING VITAL INSIGHT

Secondly, it means businesses miss out on some of the most important insights available to them: the process, service or product issues that drive customers to despair.

For customers to reach the point of complaining, one of two things has probably happened. Either there has been a single, severe failure to meet their expectations, or there has been a series of smaller issues that built up to a catalogue of errors. Both represent invaluable learning opportunities for the business.

Of course, complaints aren't a good thing. Of course, no-one wants to receive them. But with the evidence growing that customers are so disillusioned by the complaints process that they are choosing not to bother complaining, businesses need to rethink the way they manage these vital interactions. To borrow an idea from a 2008 book by Janelle Barlow and Claus Moller, we need to start treating complaints as a gift.

PRESENT IMPERFECT: THE CURRENT STATE OF COMPLAINTS HANDLING

If that notion, which admittedly sounds as if it could be pinched from a new age self-help guide, makes your hackles rise, then take a few deep yoga-style breaths and think again – perhaps about a time you've been driven to complain.

Perhaps you've scratched around on the company website trying to find out where to direct your complaint. You've then filled in the form or sent details to an anonymous email address. Back comes a cold and stilted automated response, informing you that your complaint is being investigated. Some weeks later, there's an equally stilted response (though apparently this one was written by a human) that the investigation is complete.

If the outcome is in your favour, you receive the barest of apologies and a cursory discount voucher. If not, you're merely told that the company is satisfied it followed its processes and you can take it up with a higher authority if you wish.

All too often, the entire process seems not just cold but disassociated from the rest of the business and its brand. In reality, that's exactly what it is; managed by a separate team, keeping a low profile and sticking to a rigid process. Any insights that might be gleaned remain in the complaints team; and while the process is nominally handled correctly, the impact on customers is obvious.

WHAT DOES 'TREATING COMPLAINT AS A GIFT' MEAN?

But imagine a different approach, where complaints are treated as a gift. The customer is thanked – THANKED! – for raising the complaint, alerting the company to the issue and giving them a chance to resolve it, rather than going direct to social media or the regulators. The immediate response also includes an apology; saying sorry is not an admission of fault, but it shows that the business regrets that the customer feels let down by them.

Then when investigating the complaint, the business actively listens to the customer. Perhaps it asks more questions following the initial complaint; requests photos or additional details. It updates the customer on progress, reassuring them that action is being undertaken. Crucially, it seeks to find out what outcome the customer wants. While it won't always be possible to deliver that, simply asking the question has an impact.

Finally, when it sends its decision, the business also acknowledges anything that may need to change as a result of this complaint: a review of processes, packaging, suppliers or customer information.

Instead of being sidelined – almost punished – for complaining, the customer feels involved, respected and cared about, all of which builds trust in the business. Better still, the business is putting what it learned to work.

AND WHAT HAPPENS WHEN A COMPLAINT IS NOT A FORMAL COMPLAINT BUT IS A MERE EXPRESSION OF DISSATISFACTION?

Are your contact center agents or retail staff able to identify the informal, unhappy comments regarding the product or service? Many companies run Voice of the customer (VoC) programmes, gathering customer feedback at different touchpoints during the customer journey. While most of the feedback is positive, there will be those customers who express dissatisfaction with the service they've received or the way they've been treated.

Some companies choose to log disgruntled customers as formal complaints; others take a more flexible approach. Either way the principles underpinning the response you make to such customers should be the same as those applied to complaint-handling – pick up the phone, gather the information, stay in touch and learn from the experience.

Most customers are unsure whether their feedback is even listened to, so responding to dissatisfied customers can generate positive outcomes. Our VoC partner ServiceTick works extensively with UK financial services companies. With one of their insurance clients, they were able to demonstrate that 'closing the loop' with disgruntled customers could improve NPS by a factor of three; and that customers whose negative feedback was responded to were more likely to become advocates for the brand.

With another building society client, **ServiceTick** built a VoC programme that formed the basis of an innovative multi-channel customer experience, placing the customer at the heart of the solution. As a result of this 'early warning' system, formal complaints into the organisation were reduced by 51% in the first six months of the new environment and overall NPS went from -14 to +39 within three years. You can download and read one of the case studies here:

<https://www.servicetick.com/company/white-papers/white-papers-request?filename=kent-reliance-case-study.pdf>

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CHANGING YOUR COMPLAINTS-HANDLING CULTURE

In many businesses, some complaints are handled in a vastly superior way. Perhaps the team member that received them is particularly diligent; perhaps there's additional pressure from above – a complaint that came via the boardroom, for instance, or attracted media attention. The capability, therefore, is there, but when it comes to handling all complaints, the right culture isn't. This is what businesses need to change:

1. MAKE IT EASIER TO COMPLAIN

When you've got an angry or frustrated customer, the last thing you want to do is make life more difficult for them. Yet all too many businesses seem determined to hide their complaints process. Even regulated organisations that must publish a complaints-handling procedure often tuck it away in an obscure corner of the website.

The reasons for doing so are bizarre: some apparently believe that if they make it too easy to complain, they'll be deluged. Others worry that giving complaints undue prominence online will give customers the impression that it's a major issue. In reality, by having a clear procedure for submitting complaints in an easily found part of the site, you're showing you have nothing to hide. You're also more likely to encourage customers to complain to you, rather than either walking away, leaving a tirade on social media, or going direct to the CEO.

The procedure should also have options: as well as an online form, provide an email address and a phone number, so that customers have the choice.

Complaints are often used by regulators to measure the effectiveness and rigour of an organisation's customer service. It's essential you can demonstrate you have a structured resolution process to deal with complaints.

2. PICK UP THE PHONE

Even in the confines of an online form, customer complaints are often full of emotion. They'll miss out details or include unrealistic demands. This is a perfect opportunity for businesses to change the tone of the discussion from the start. As soon as possible, call the customer to acknowledge receipt of the complaint, describe what will happen next and request those missing details. If you can't speak to them, email them back or ask them to discuss the issue via a private social media channel. It's an immediate recognition that you care about the complaint and you want to resolve it.

3. LOG EVERY COMPLAINT

Always log every complaint. Record when it was received, and then track every subsequent action – including all contact with the customer. They might be doing the same! You can then track KPIs such as 'Time to Respond' and 'Time to Resolve' – both highly recommended measures by specialist contact centre consultancy COPC.

A single complaints dashboard can be a useful way to visualise performance and share information with the wider business, especially where it shows repetitive complaints, products and processes receiving the highest number of complaints etc.

4. GATHER ALL THE INFORMATION

If the complaint is a gift, this is where you unwrap it. Look into exactly what happened across the entire customer journey and what should have happened. Find out where a process went wrong or incorrect information was given. Were there earlier opportunities to resolve an issue before it escalated? Bring the information together, so that you can easily refer to it.

5. STICK TO A TIMETABLE

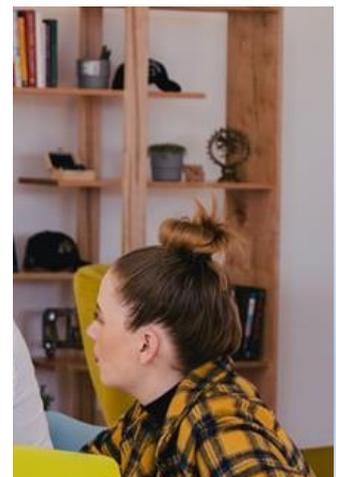
Whatever timelines you've published for complaint resolution, do everything you can to stick to it. Most businesses aim to acknowledge complaints within 24 hours – ideally sooner – and resolve them within 7 to 28 working days. If the complaint is more complex and may take longer (for example, because it involves getting information from a third party), let the customer know as soon as possible.

6. STAY IN TOUCH

An easy way to build trust in the process is by keeping customers informed – particularly if your resolution process lasts several weeks. It doesn't need to be in detail; just letting them know that the complaint has been forwarded for a decision, or that you're still investigating, can be reassuring.

7. LEARN FROM IT

Almost every organisation will claim to have a continuous improvement culture: complaints handling should be at the core of it. Once you understand the reason for the complaint, you then need to decide what action to take as a result. Does a process need fixing? Are there quality issues with products or suppliers? Do staff need training? Sometimes, it's a one-off, but often complaints shine a light on a recurring issue.



ADDRESS THE GRUMBLERS

As well as changing the way businesses handle formal complaints, it's also important to look at how we identify and change the way we deal with any expression of dissatisfaction or unhappy customers that have not made a complaint. With more and more people – particularly in younger generations – reaching to social channels to unleash frustration, there's an opportunity for businesses to be more proactive. Social listening tools can help pinpoint the comments that may merit a response, which could include inviting the customer to make a formal complaint so that it can be investigated and resolved properly. To gather insights from the myriad different channels, businesses could look at applying **omnichannel analytics** – an Ember solution that allows you to search through customer feedback, whether direct or indirect, to spot trends and recurring issues. This can also include calls to the contact centre and feedback surveys; for instance, there may be a pattern of customers telling advisors that they tried to complete a transaction online but then resorted to calling up. That wouldn't register as a complaint, especially if the advisor was able to solve the issue, but it could be important information for the business about a failed process.

Ideally, all such unhappy comments or signs of dissatisfaction expressed by a customer should be logged in the complaints log, allowing you to flag up dangers and weak points at an early stage, and above all, for indicating trends affecting your products and services.

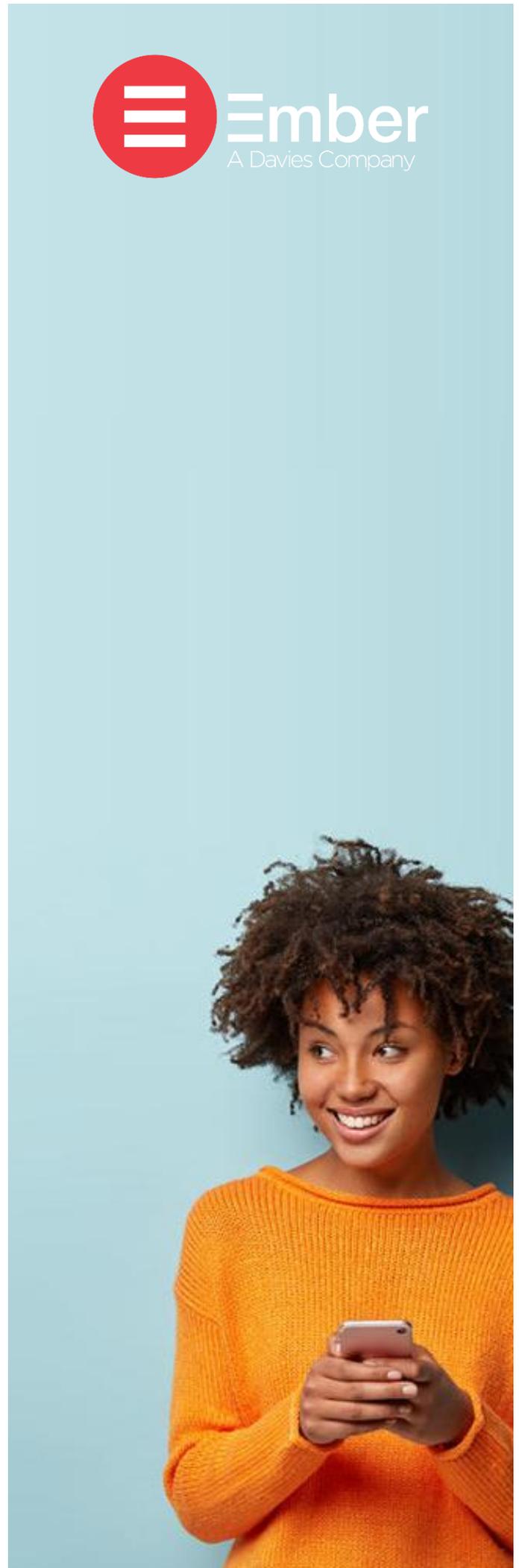
TRAINING STAFF TO HANDLE COMPLAINTS DIFFERENTLY

Of course, effective complaints handling isn't just about the procedures but also the people. So, as you seek to change your complaints-handling mindset and culture, the chances are you'll need to equip your staff to think and work differently. Give them confidence to tackle the difficult customers and support them in their actions. Key aspects of complaints-handling training should typically include:

- listening skills
- empathy/apology/sympathy – when, where and how differently each one is applicable
- dealing with rude/angry customers
- how to politely tell a customer they are wrong
- being patient, calm and composed while dealing with complainants
- business writing skills.

Crucially, businesses need to recognise that complaints handling can be stressful and dispiriting – particularly at the start of the process, where complainants vent their frustration for the whole business onto the advisor at the end of the phone. Yet there are few greater highs for frontline service staff than when they resolve the issue to the customer's delight and satisfaction. Staff need to be supported effectively so they understand how to turn complaints into success stories.

This is an area where Ember's training division, [Ember Real Results](#), has a fantastic track record, combining industry knowledge and frontline service experience with insights about the specific issues a business is facing. Find out more about our [Dealing with difficult conversations training course](#).



ABOUT THE AUTHOR

Rena Ghotey has over 17 years of extensive experience in Quality Management, Customer Services Operations and Continuous Improvement. She is a certified Green Belt in Six Sigma and has a Bachelor's degree in Business and Master's degree in Computer Management.

Using her contact centre, outsourcing and quality background, Rena has led strategic transition projects in the past, leading to significant reduction in costs. Her ability to understand the requirements of clients and maintain a strong customer focus has given her great success in enhancing customer experience for various organisations.



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Many of our people are industry practitioners who have spent most of their careers in the roles that our clients often hold. Others bring specialist skills, honed in diverse sectors and on successful projects for organisations across the globe

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